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57-0380

FEB 5 1957

MEMORANDUM FOR: Deputy Director (Support)

SUBJECT: Bi-Monthly Status Report on the Transfer of the
GPO-State Service Printing Plant to the Central
Intelligence Agency

- REFERENCES:
- (a) Transmittal Slip dated 14 January 1957 to the Office of Logistics from. [redacted] EA-DD/S, requesting bi-monthly status reports on the transfer of the Government Printing Office-State Service Printing Plant to the Central Intelligence Agency.
 - (b) Letter dated 26 January 1957 to the Chairman, Joint Committee on Printing, from the Director of Central Intelligence giving status of the transfer of the GPO-State Service Printing Plant to the Central Intelligence Agency.

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1. Reference (b) was the initial bi-monthly report requested by reference (a). This letter was in reply to a request by the Joint Committee on Printing that the Committee be kept advised concerning the steps involved in this transfer. Reference (b) advised the Committee that pertinent details were worked out jointly with the Government Printing Office, and that the transfer was progressing with no interruption to the production of the plant and with a minimum of inconvenience. It was stated that [redacted] employees of the plant had at that time transferred to the rolls of the Central Intelligence Agency; five had indicated a desire to return to the Government Printing Office, while eight were undecided whether to transfer to the Agency or remain with the Government Printing Office. The Committee was further advised that letters had been sent to the Atomic Energy Commission and the Department of State informing them of this transfer and explaining that the plant is available for production of their classified printing.

2. At the time reference (b) was prepared in this Office, an inventory was being taken of supplies on hand in the plant as of 12 January 1957 and of the equipment for which reimbursement is to be

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Class. Changed to: TS S C
Next Review Date: [redacted]
Date: 10 JAN 1979
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made to the Government Printing Office. The findings of this inventory are now being reconciled with machine listings furnished by the Government Printing Office. Any differences found to exist between the actual inventory count and the Government Printing Office lists will be discussed and reconciled with GPO representatives.

3. One particular problem has developed as a result of this inventory and reconciliation. This pertains to new equipment which the Government Printing Office had recently installed in the State Service Plant but which was not included on the lists of equipment which were part of the agreement upon which the transfer was based. These items of equipment were replacement items and the replaced items were carried on the list rather than the new items. This has resulted in approximately \$40,000 additional to be added to the amount for which the Government Printing Office is to be reimbursed. The exact amount of the total reimbursement for supplies and equipment will not be known until the above-mentioned reconciliation is completed. However, it is estimated that this amount will now be approximately \$265,000 instead of the approximately \$225,000 previously estimated as the total amount of reimbursement required. This matter is being pursued jointly with a member of the Comptroller's Office, and final action should be completed within the next month.

4. The Office of the Comptroller has developed a cost accounting system to be used in charging customer agencies for work produced in this plant. This system appears to be satisfactory and is now being perfected. Appropriate internal procedures are being developed preparatory to charging customer agencies for work produced by this Agency. Customer agencies are to be billed monthly for all work produced during the month for which charged.

5. The majority of the personnel problems resulting from this transfer appears to have been satisfactorily worked out. Physical examinations of the employees who have transferred to CIA will begin on 31 January 1957 and will continue until all employees have been examined. Job descriptions have been prepared on all key personnel in the plant and the Position Evaluation Division is cooperating with this Office in evaluating and allotting these jobs as rapidly as possible. The matter of paydays for these employees has been taken care of, and they will be phased into the Agency paydays on a gradual basis so that there will be no inconvenience or loss of pay. Agency badges have been made and issued to all CIA personnel in this plant.

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6. As of this date, [] employees have been transferred to CIA; 13 have indicated a desire to return to the Government Printing Office, and one is being given additional time to make the decision as to whether or not he desires to transfer to the Agency. Meanwhile, personnel who have not transferred to the Agency are being maintained in the plant on detail from the Government Printing Office. Recruitment Requests have been submitted for all personnel which are to be replaced.

7. This plant is being integrated into the Printing Services Division as rapidly as possible. Procedures have been worked out whereby the plant will be supplied through the Printing Services Division's supply system, and, where necessary, special procurement arrangements are being made.

8. Every effort is being made to improve the working conditions in this plant. Very severe drafts are encountered in the Composing Room due to the ventilation required in the Transformer Room which is located across the hall from the Composing Room. A request is being made of GSA to weather strip these rooms so as to eliminate these drafts. Old, dilapidated wooden lockers have been replaced by metal lockers so that the employees will have better facilities in this respect. A ventilating problem in the Plate Room is being studied to see if it can be eliminated, and water pipes in the Press Room are to be covered to prevent dripping of water on the presses.

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JAMES A. GARRISON
Director of Logistics